

AR83

TORONTO STOCK EXCHANGE

DEC 28 1961

FILING STATEMENT No. 665.
FILED, DECEMBER 7th, 1961.

AMALGAMATED RARE EARTH MINES LIMITED

Incorporated by Letters Patent of Amalgamation dated March 29, 1957, under the Corporations Act, Ontario, 1953, Part 4.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" attached on pages 2 & 3.										
2. Head office address and any other office address.	25 Adelaide Street West, Suite 416, Toronto 1, Ontario.										
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" attached on page 3.										
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 shares of \$1.00 par value each Issued and outstanding: 2,623,757 shares										
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None										
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Details of proposed underwriting and option agreement are set out in Material Changes on Schedule "A"										
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	No person or Corporation has any interest in the underwritten or optioned shares other than Brewis & White Limited, 145 Yonge Street, Toronto, Ontario.										
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None										
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Future development plans consist of carrying out the recommendations contained in the Report of T.R. Clark, B. Eng., P.Eng., dated June 29, 1961 relative to the preliminary exploration of the mining claims situated in the Fort Frances Mining Division, Ontario, that the Company has an option to purchase upon receipt of funds pursuant to the underwriting and option agreement between Brewis & White Ltd. and the company dated December 1, 1961. The proposed expenditure of proceeds of sale of Treasury shares, if any, is as follows: <table><tr><td>Payment of all proper fees, expenses, disbursements, and of Trustee incidental to proceedings arising out of proposal and payment to creditors - total -</td><td>\$25,000.</td></tr><tr><td>Property Purchase Payment -</td><td>5,000.</td></tr><tr><td>Exploration of property -</td><td>12,500.</td></tr><tr><td>Current corporate expences</td><td>7,500.</td></tr><tr><td>Total -</td><td><u>\$50,000.</u></td></tr></table>	Payment of all proper fees, expenses, disbursements, and of Trustee incidental to proceedings arising out of proposal and payment to creditors - total -	\$25,000.	Property Purchase Payment -	5,000.	Exploration of property -	12,500.	Current corporate expences	7,500.	Total -	<u>\$50,000.</u>
Payment of all proper fees, expenses, disbursements, and of Trustee incidental to proceedings arising out of proposal and payment to creditors - total -	\$25,000.										
Property Purchase Payment -	5,000.										
Exploration of property -	12,500.										
Current corporate expences	7,500.										
Total -	<u>\$50,000.</u>										
10. Brief statement of company's chief development work during past year.	None.										
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Harvey G. Greene, 835 Nicholls Street, Peterborough, Ont. The consideration to be paid is set out in detail in the statement of Material Changes. Mr. Greene is President of the Company.										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Harvey G. Greene, 835 Nicholls Street, Peterborough, Ont. Mr. Greene is President of the Company.										

AMALGAMATED RARE EARTH MINES LIMITED

FILING STATEMENT

December 5, 1961

- Material Changes

1. At a meeting of the creditors of the Company duly called, properly constituted and held in Toronto on October 11, 1961, the said creditors voted in favor of the acceptance of a proposal that would provide for:
 - (a) Payment in full of all unsecured and proven claims against the Company under \$60.00.
 - (b) payment of a dividend of 20 cents on the dollar on all unsecured and proven claims against the Company of \$60.00 and over in full settlement thereof, except that a further dividend of 20 cents on the dollar shall be paid on all proven claims included in this paragraph if, as and when monies are received on account of the Company's contract with Eldorado Mining and Refining Limited.
 - (c) payments pursuant to this proposal are to be made
 - (i) From \$12,500.00 received pursuant to the underwriting and option agreement referred to in item #2 below:
 - (a) all claims under \$60.00 are to be paid in full.
 - (b) All proper fees and expenses of the trustee or and incidental to proceedings arising out of the proposal.
 - (ii) A further sum of \$12,500.00 received pursuant to the underwriting and option agreement referred to in #2 below is to be distributed pro rata to unsecured creditors having proven claims of \$60.00 and more.
 - (iii) Both of these payments are to be made from the underwriting within 30 days from approval by the Court of the proposal accepted by the Creditors.
 - (iv) The balance of the dividend of 20 cents on the dollar to be paid to unsecured creditors is to be paid by the issuance of non-transferable notes of the company to the creditors individually, to mature in five years from the date of issuance, bearing interest at 2% per annum or to be redeemed earlier in cash by the company by application of 25% of the proceeds of any future underwriting options as and when made.

Acceptance of the proposal by the creditors and the implementation thereof are dependent upon

- (a) acceptance of this Filing Statement for filing by the Toronto Stock Exchange.
- (b) approval by the Court of the proposal accepted by the creditors.

The Court approved the proposal on November 16, 1961.

2. By agreement dated December 1, 1961, Brewis & White Limited have underwritten, subject to acceptance of this Filing Statement for filing by the Toronto Stock Exchange:

400,000 shares of the Capital Stock of the Company for a total consideration of \$50,000.00 to be purchased and paid for forthwith upon acceptance for filing of this filing statement by the Toronto Stock Exchange, (hereinafter referred to as "the effective date".)

In consideration of the said underwriting Brewis & White Limited are granted options to purchase a further 600,000 shares of the Capital Stock of the Company as follows:

All or any part of 100,000 shares, at any time within 3 months of the effective date at 25 cents per share.

All or any part of 100,000 shares at any time within 6 months of the effective date at 30 cents per share.

All or any part of 100,000 shares at any time within 9 months of the effective date at 35 cents per share.

All or any part of 100,000 shares at any time within 12 months of the effective date at 40 cents per share.

All or any part of 100,000 shares at any time within 15 months of the effective date at 60 cents per share.

All or any part of 100,000 shares at any time within 18 months of the effective date at 70 cents per share.

3. By agreement dated August 21, 1961, between Harvey G. Greene, the President of the Company, and the Company, the Company is granted an option to purchase 3 patented and 7 unpatented mining claims situated in the Bad Vermillion Lake Area, Fort Frances Mining Division, Ontario for

\$5,000.00 cash payable forthwith upon receipt by the Company of funds pursuant to the underwriting and option agreement between Brewis & White Limited and the Company dated December 1, 1961.

\$5,000.00 cash payable at the option of the Company on or before June 1, 1962.

\$5,000.00 cash payable at the option of the Company on or before September 1, 1962.

\$5,000.00 cash payable at the option of the Company on or before December 1, 1962.

and the issuance as fully paid and non-assessable of 200,000 shares of the Capital Stock of the Company as presently constituted to Harvey G. Greene, only if, as and when the cash consideration described herein is paid in full. 90% of the said shares are to be held in escrow, release thereof being subject to the consent of the Directors of the Company and the Toronto Stock Exchange.

SCHEDULE 'B'

AMALGAMATED RARE EARTH MINES LIMITED

Names, addresses and chief occupations for the past five years of officers and directors.

1. Arthur Walter White - Chairman of the Board of Directors and Director.
61 Old Forest Hill Road, Toronto, Ontario.
President of Dickenson Mines Limited - over five years.
2. Harvey Gilbert Greene - President and Director.
835 Nicholls Street, Peterborough, Ontario.
Prospector - over five years.
3. Charles Benjamin Farnham - Vice-President and Director.
38 Maxwell Ave., Toronto, Ontario.
Clothing Merchant - over five years.
4. George Loranger Holbrooke - Director.
R. R. #2, Port Credit, Ontario.
Consulting Geologist - over five years.
5. Howard Petite - Director.
122 Elvaston Drive, Toronto, Ontario.
Retired - over five years.
6. Thomas Clydesdale Michie - Director.
38 Maxwell Avenue, Toronto, Ontario.
Building Contractor - over five years.
7. Charles Wyckham Walker - Director.
484 Avenue Road, Toronto, Ontario.
Salesman with Rothman's of Canada Limited - one year.
Secretary-Treasurer of Canadian Oil Co. Ltd. - four years.
8. Herbert Rodney Heard - Secretary-Treasurer.
464 Broadway Avenue, Toronto, Ontario.
Chartered Accountant, Secretary of Mid-North Engineering Services Limited - over five years.
9. Lawrence William McIlmurray - Assistant Secretary-Treasurer.
300 Glenayr Road, Toronto, Ontario.
Executive Officer, Brewis & White Limited - over five years.

FINANCIAL STATEMENTS
AMALGAMATED RARE EARTH MINES LIMITED

BALANCE SHEET

November 30, 1961

ASSETS

Current

Cash in banks	\$ 29.02	\$	2,500.92
Accounts receivable	<u>2,471.90</u>		

Fixed

Mining claims, at cost - acquired by the amalgamating companies for \$38,626.28 cash and 503,911 equivalent shares of re-organized capital stock	411,038.28
Buildings and equipment, at nominal value	<u>1.00</u>
	411,039.28

Other

Shares of a mining company, Sarnac Uranium Mines Ltd. at nominal value	1.00
	<u>\$ 413,541.20</u>

LIABILITIES

Current

Accounts payable	87,714.28
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Capital and Deficit

Capital Stock Authorized: 5,000,000 shares of \$1.00 par value	<u>\$ 5,000,000.00</u>
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Issued and fully paid: 2,623,757 shares	\$ 2,623,757.00
Less: Discount thereon	42,500.00
	<u>\$ 2,581,257.00</u>

Contributed surplus - excess of value attributed to net assets contributed by the amalgama- ting companies over par value of shares issued	1,308,309.00
	<u>\$ 3,889,566.00</u>

Deficit, per statement	<u>3,563,739.08</u>	325,826.92
	<u>\$ 413,541.20</u>	

The accompanying notes form an integral part
of these financial statements.

On behalf of the Board,

H. Y. T. ... Director.

G. B. R. ... Director.

AMALGAMATED RARE EARTH MINES LIMITED

Notes to Balance Sheet as at November 30, 1961

1. The amount shown for mining claims represents costs to date and is not intended to reflect present or future values.

2. On March 28, 1961 the company issued a writ against Eldorado Mining & Refining Limited, claiming \$8,500,000. damages and special damages for breach of contract dated February 6, 1957 between the company and Eldorado. Eldorado has filed its defence and the trial is pending.

3. On September 27, 1961 the company made a proposal to its creditors under Part III of the Bankruptcy Act. This proposal was accepted by the required majority of creditors at a meeting held on October 11, 1961 and approval by the Supreme Court of Ontario was given on November 16, 1961. Under this proposal the claims of preferred creditors and of unsecured creditors with claims under \$60.00 are to be paid in full and a dividend of 20 cents on the dollar is to be paid in full settlement of all other unsecured claims, provided that if, as and when monies are received on account of the company's claim against Eldorado Mining & Refining Limited (see Note 2 above,) a further dividend of up to 20 cents on the dollar shall be paid. The monies payable under the proposal are to be obtained from the underwriting referred to in Note 6 below. Out of the firm underwriting of 400,000 shares at 12½ cents per share, producing an aggregate sum of \$50,000., the following sums are to be paid within thirty days of the approval of the proposal by the Court to the trustee under the proposal:

(a) Up to \$12,500. in cash in respect of claims of preferred creditors, of unsecured creditors with claims under \$60.00 and of the fees and expenses of the trustee.

(b) \$12,500. in cash to be paid pro rata to unsecured creditors. The balance of the dividend of 20 cents on the dollar to be paid to unsecured creditors is to be paid by the issuance of non-transferable notes of the company to the creditors individually, to mature in five years from the date of issuance, bearing interest at 2% per annum or to be redeemed earlier in cash by the company by application of 25% of the proceeds of any future underwriting options as and when made.

The proposal contains a provision that its terms may be modified or altered by the company with the consent of the trustee and the underwriter to take into account any objections by the Toronto Stock Exchange either to the proposal or to the underwriting agreement, provided that the proceeds of the underwriting agreement shall not alter in amount and further provided that no options shall extend for a longer period of time than eighteen months after the approval of the proposal by the Court.

4. The company has been named defendant in six legal actions involving claims totalling \$204,311.64. Judgments have been given against the company in two actions involving \$46,365.73, while defences have been entered in the other four actions. In addition, an execution has been lodged against the company for \$1,270.51. The amounts involved in these actions have been provided for in the accounts of the company. The filing of the proposal referred to in Note 3 has, by the provisions of section 40(1) of the Bankruptcy Act, denied these creditors any remedy against the company or its property or the rights to commence or continue any action, execution or other proceedings for the recovery of their claims until the trustee under the proposal has been discharged or until the proposal has been refused, unless by the leave of the Court and on such terms as the Court may propose.

5. At a meeting of the directors held on July 9, 1957 it was decided that 6,250 shares of capital stock were to be issued for services rendered to that date when senior financing had been firmly committed to in an amount sufficient to bring the company's properties into production.

6. On December 1, 1961, the company entered into an underwriting agreement whereby an underwriter agreed to purchase 400,000 shares of the capital stock of the company at 12½ cents per share payable forthwith upon acceptance of the underwriting agreement by the Toronto Stock Exchange. Under this underwriting agreement the underwriter was granted certain options to purchase a further 600,000 shares at various prices.

7. On August 21, 1961, the company entered into an agreement with its President, whereby it received an option to purchase three patented and seven unpatented mining claims in the Bad Vermillion Lake area, Ontario, payment to be made as follows:

(i) \$5,000. upon receipt by the company of funds from an underwriting and option agreement;

(ii) Further payments at the option of the company as follows:

\$5,000. on or before June 1, 1962;
\$5,000. on or before September 1, 1962;
\$5,000. on or before December 1, 1962;

and the issuance of 200,000 shares of the capital stock of the company only if all of the above cash payments were made first. 90% of these shares are to be held in escrow, release subject to the consent of the Directors of the Company and of the Toronto Stock Exchange.

8. An agreement has been made with the President of the company to pay a finder's fee of 5% of the consideration received by the company for major financing for the development of the properties owned by the company at the present time or from the realization of these properties or for negotiation of all or part of the benefits that would accrue to the company under its contract with Eldorado Mining & Refining Limited, the costs of obtaining any such consideration being at the expense of the President of the Company. This agreement expires on December 5, 1962.

AMALGAMATED RARE EARTH MINES LIMITED

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

For the period June 1, 1961 to November 30, 1961

Exploration and Development

Mining licenses and taxes	\$ 444.24
Restaking	325.00
	<hr/>
Less: Rental Income	\$ 769.24
	<hr/>
	150.00 \$ 619.24

Outside Exploration

766.55

Administrative

Annual meeting expense	752.29
Directors' Fees	500.00
Audit fees	500.00
Professional services	100.00
Toronto office maintenance	300.00
Travelling	40.00
Miscellaneous	31.06
	<hr/>
	2,223.31

Trustee's costs of proposal to creditors \$ 3,000.00

Total written-off to deficit account \$ 6,609.10

STATEMENT OF DEFICIT

For the period, June 1, 1961, to November 30, 1961

Balance, June 1, 1961	\$ 4,013,957.67
Exploration, development and administrative expenditures written-off	6,609.10
	<hr/>
	\$ 4,020,566.77

Accounts payable written down on basis of releases received \$ 194,480.97

Sundry accounts written off - creditors unknown 373.06

Balance of liability to unsecured creditors reduced as a result of acceptance by court of proposal to creditors -	261,973.66	\$ 456,827.69
	<hr/>	
Balance, November 30, 1961	\$ 3,563,739.08	

AMALGAMATED RARE EARTH MINES LIMITED

FILING STATEMENT

December 5, 1961

We hereby confirm that there are no material changes in the items appearing on the Balance Sheet of this Company as at December 5, 1961 that is attached to and forms part of this Filing Statement.

On behalf of the Board

H. G. Green

(Charles B. Parham)

AMALGAMATED RARE EARTH MINES LIMITED

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

For the period June 1, 1961 to November 30, 1961

Source of Funds

Rental income \$ 150.00

Disposition of Funds

Exploration and development expense \$ 769.24

Outside Exploration 766.55

Administrative Expense 2,223.31

Trustees costs of proposal to creditors 3,000.00

\$ 6,959.10

Deduct portion thereof included in Accounts Payable at November 30, 1961 - 6,812.80 146.30

Increase in cash in banks \$ 3.70

On behalf of the Board.

H. G. Green Director

(Charles B. Parham) Director

ENGINEER'S REPORT

Note- The following are excerpts from a report by T.R. Clarke, B.Eng., P.Eng., dated June 29th, 1961, on the mining claims located in the Little Turtle Lake mining area, District of Rainy River, Ontario. A complete copy of the report is on file with the Toronto Stock Exchange.

PROPERTY AND ACCESS

The property is made up of ten mining claims as follows. Three patented claims numbered FF 1536 to FF 1538 inclusive and five unpatented water claims adjoining to the south numbered FF 12694 to FF 12698 inclusive and two unpatented claims lying one quarter of a mile to the east numbered FF 12699 and FF 12700. All claims are recorded in the Fort Francis Mining Recorder's Office.

The claims lie along the North Shore of Bad Vermillion Lake some two and a half miles south and west of Mine Centre on the Canadian National Railways Port Arthur to Fort Francis line.

The property can be reached by truck road from Mine Centre or by air from Fort Francis. Highway number eleven, now under construction from Atikokan to Fort Francis will pass directly north of the group. This section of the road is scheduled for completion in 1962.

CONCLUSIONS

The vein structures as outlined in the reports on the previous work are substantially the same as observed during my examination. Actual widths and assay values could not be checked due to the condition of the trenches and lack of cores or rock dumps.

Despite the narrow veins it is apparent from the multiple vein system that the potential vein structure for the 2500 feet of strike would be in the range of 5000 feet. Values to a depth of 100 feet have been reported in four drill holes. There is no record or reports of deeper drilling.

There are indications of a possible sulphide zone along the north of the claim group that has not been investigated to date.

It is the opinion of the writer that the property warrants further investigation to check the results of the previous development and to investigate further the economic mineral potential.

RECOMMENDATIONS

It is therefore recommended that a preliminary development program be carried out as follows.

1. Surface mapping to tie in the existing work.
2. Opening of sufficient old trenches to check previous reported values.
3. A total of four thousand feet of "A" core diamond drilling to drill four sections at 100 foot intervals along strike to cut the vein structure at the 100 and 250 foot horizons. And at least three holes to be drilled in the indicated sulphide zone to the north of the trenched area.
4. That a sum of twenty five thousand dollars be made available to carry out the preliminary development program.
5. Contingent on the results of the preliminary program a further development program be planned to delimit the known zones by diamond drilling and to assess by means of underground development the economic potential of the property.
6. And that the Company be prepared to make available a sum of three hundred thousand dollars to carry out this underground investigation.

Respectfully submitted,



Toronto, Ontario
June 29, 1961

T. R. Clarke B.Eng. P.Eng.

C E R T I F I C A T E

I, Thomas Roy Clarke, residing at 128 Heddington Avenue Toronto, Ontario, certify that

1. I am a graduate engineer from McGill University, Montreal, and hold the Degree of Bachelor of Engineering in Mining.
2. I am a Registered Professional Engineer in Ontario and have practiced my profession for over twenty five years.
3. My conclusions and recommendations are based on a personal examination of the property in June 1959 and in October 1960 and on information in reports by Dr. A. C. McMurchy, B.Sc., Ph.D., W. M. Rice, B.Sc., M.E., and M.D. Kennedy, B.Sc., all of whom reported on the property during various stages of the former development program.
4. I have no interest directly or indirectly in the property, leases or securities of the company nor expect to receive any interest directly or indirectly in the property, leases or securities of the company.

Toronto, Ontario
June 29, 1961



13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	425,704 shares to be released on consent of the Ontario Securities Commission and the Board of Directors of the Company.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	S.M.C. Canada Ltd., 620 Cathcart Street, Montreal - 136,150 shares Jenkin Evans, 344 Linsmore Cres. Toronto - 55,675 shares John C.Udd, 620 Cathcart St. Montreal, P.Q.-52,500 shares The Company does not know whether the above shares are beneficially owned by the registered holders or not.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Jenkin Evans Ltd. 360 Bay Street, Toronto - 206,364 shares. *S.M.C. Canada Ltd. 620 Cathcart St. Montreal - 172,000 shares. *John C.Udd, 620 Cathcart St. Montreal, P.Q. - 78,689 shares. Leonce Miller, 25 South St. New York 4, N.Y. 67,000 shares. *Jenkin Evans, 344 Linsmore Cres. Toronto - 55,675 shares. The Company does not know whether the above shares are beneficially owned by the registered holders or not. * See item 14 for number of escrowed shares included in these holdings.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	So far as the Company is aware, no person or company is in a position to elect or cause to be elected a majority of the directors. However, for purposes of voting at meetings of shareholders, proxies are solicited by the officers of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	100,000 escrowed shares of Saranac Uranium Mines Limited, having a nominal book value of \$1.00 and no quoted market value.
18. Brief statement of any lawsuits pending or in process against company or its properties.	Bankruptcy petition of Arthur Stewart Bayne that a Receiving Order be made against the Company filed July 17, 1958, dismissed by the Hon. Mr. Justice Smily of the Supreme Court of Ontario on September 26, 1958. Appeal from dismissal to the Court of Appeal for Ontario instituted by Arthur Stewart Bayne on October 1, 1958, an action for recovery of \$142,884.99 from the Company commenced by Arthur Stewart Bayne by Writ issued out of the Supreme Court of Ontario on October 2, 1958, Defence and Counter Claim for \$500,000. for damages for wrongful persistence in Bankruptcy proceedings filed by the Company on October 27, 1958. There has been no action with respect to this matter since.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	By contract dated February 6, 1957 between Eldorado Mining & Refining Ltd. and the Company, Eldorado has agreed to purchase 2,628,000 pounds of U3O8 at a price equivalent to \$10.50 per pound delivered prior to April 1, 1963.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	On March 28, 1961 the Company issued a Writ against Eldorado Mining & Refining Limited claiming \$8,500,000 damages and special damages for breach of contract dated February 6, 1957 between the Company and Eldorado. Eldorado has filed its defence and the trial is pending. Mr. Greene bought 3 of the mining claims referred to in the agreement dated August 21, 1961 between him and the Company, for \$1,625 cash. The remaining 7 claims were staked by him. Mr. Greene has spent \$2,481.05 with respect to these claims since their acquisition. No shares of the Company are in the course of primary distribution to the public at this time. When shares are taken down pursuant to the underwriting and option agreement dated December 1, 1961 between Brewis & White Limited and the Company, shares of the Company will be in primary distribution to the public.

CERTIFICATE OF THE COMPANY

DATED December 5, 1961.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

AMALGAMATED RARE EARTH MINES LIMITED

CORPORATE
SEAL

"H.G. Greene"

H.G. Greene "C.B. Farnham" *C.B. Farnham*

C.B. Farnham
Vice-President

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

BREWIS AND WHITE LIMITED

Brewis & White
J.S. Miller

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 1970

AUG 22 1957

LISTED JULY 23rd, 1957
 5,000,000 shares of \$1.00 par value
 Ticker abbreviation ARH
 Dial ticker number 533
 Post section 1.6

TORONTO STOCK EXCHANGE

LISTING STATEMENT

AMALGAMATED RARE EARTH MINES LIMITED

Incorporated under The Corporations Act, 1953 (Ontario) by Letters Patent of Amalgamation
 dated March 29th, 1957

1. Address of the Company's Head Office and of any other offices:

Room 601, 112 Yonge Street, Toronto, Ontario.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
Chairman of the Board	John C. Udd	Brockville, Ontario	Business Executive
President	W. Ralph Salter, Q.C.	496 Russell Hill Road, Toronto, Ontario	Solicitor
Vice-President	Maurice Feldman	43 Burton Avenue, Woodmere, New York	Attorney
Treasurer	Hugh G. Ross	9 Madawaski Drive, Ottawa, Ontario	Executive Officer
Secretary	B. Nixon Apple	171 St. Leonards Avenue, Toronto, Ontario	Solicitor
Assistant Secretary	Eleanor Henrietta	620 Cathcart Street, Montreal, Quebec	Secretary

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
John C. Udd	Brockville, Ontario	Business Executive
Samuel Lunt	906 Marine Trust Building, Buffalo, New York	Broker
Hugh G. Ross	9 Madawaski Drive, Ottawa, Ontario	Executive Officer
Frank Danielson	Oyster Bay, Long Island, New York	Realtor
Maurice Feldman	43 Burton Avenue, Woodmere, New York	Attorney
W. Ralph Salter, Q.C.	496 Russell Hill Road, Toronto, Ontario	Solicitor
William H. Price, Q.C.	6 Ridout Street, Toronto, Ontario	Solicitor

4. Names and addresses of all transfer agents:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.
 Registrar And Transfer Company, 15 Exchange Place, Jersey City, New Jersey, U.S.A.

5. Particulars of any fee charged upon transfer other than customary government taxes:

50 cents fee charged on issuance of new share certificates.

6. Names and addresses of all registrars:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.
 Registrar And Transfer Company, 15 Exchange Place, Jersey City, New Jersey, U.S.A.

7. Amount of authorized capital: \$5,000,000.

8. Number of shares and par value: 5,000,000 shares of \$1.00 each.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

By virtue of the Letters Patent of Amalgamation dated March 29, 1957, and pre-amalgamation agreements a total of 2,530,000 shares of Amalgamated Rare Earth Mines Limited are issued and outstanding. Of said shares, 1,265,000 shares have been allocated to Rare Earth Mining Company Limited for distribution to its shareholders on the basis of 1 share for each 4 shares of Rare Earth Mining Company Limited and 1,265,000 shares have been allocated to Cavendish Uranium Mines Corporation for distribution to its shareholders.

	Date	No. of Shares	Price Per Share	Amount realized by Company
10. Full details of all shares sold for cash.	March 29, 1957	7	\$1.00	\$7.00
	Total.....	7		\$7.00
11. Total number of shares issued.	2,530,007.			
12. Number of shares now in treasury or otherwise unissued.	2,469,993.			
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	Nil.			
14. Date of last annual meeting.	None held yet for amalgamated company.			
15. Date of last report to shareholders.	None yet issued for amalgamated company.			
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	None.			
17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	425,704 shares of the Company are held in escrow by Guaranty Trust Company of Canada, Toronto, subject to release on the consent of the Board of Directors of the Company and the Ontario Securities Commission, and subject further to transfer, hypothecation, assignment or other alienation only with the written consent of the Ontario Securities Commission. An additional 23,750 shares of the Company are held in escrow by the Guaranty Trust Company of Canada, Toronto, subject to release on the consent of the Toronto Stock Exchange.			
18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	Not applicable, company being an amalgamation of Rare Earth Mining Company Limited and Cavendish Uranium & Mining Company Limited.			
19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No.			

20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil.
21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held.	<p>The Company owns the various properties described in Schedule "A" on page 4 attached hereto, which forms part of this application.</p> <p>None.</p> <p>None.</p>
22. Full particulars of any royalties or other charges payable upon production from each individual property.	Nil.
23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	Action has been instituted against the Company by a former employee claiming the sum of \$9,204.42. This claim is not admitted and is being contested. Action has also been instituted against the Company claiming the sum of \$41,368.73. This claim is being contested by the Company.
24. Describe plant and equipment on property.	The Company's properties have thereon various buildings as well as headframes, hoists and other equipments. There is also miscellaneous equipment such as motors, compressors, etc., and equipment associated with the various underground workings.
25. Describe development accomplished and planned.	Following extensive diamond drilling on the Company's properties, shafts have been put down (1,156 feet), lateral work has been carried out underground (12,512 feet), and raising has also been carried out (1,788 feet). The Company holds a letter of intent from Eldorado Mining and Refining Company to purchase \$27,594,000 worth of uranium oxide at a unit price of \$10.50 per pound with option reserved to purchase additional uranium oxide.
26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	Report of A. S. Bayne, P.Eng., Consulting Engineer, dated May 31st, 1957.
27. Full particulars of production to date.	Nil.
28. Have any dividends been paid? If so, give dates, per share rate, and amount paid in dollars on each distribution.	No.

29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Messrs. Salter, Reilly & Jamieson, 112 Yonge Street, Toronto, Ontario.
<p>30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.</p> <p>(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.</p> <p>(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.</p>	This application is to have posted for trading the shares of Amalgamated Rare Earth Mines Limited in the place and stead of Rare Earth Mining Company Limited.
31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>JOHN C. UDD has been President of National Management Limited for over 5 years.</p> <p>SAMUEL LUNT has been a partner in the firm of Hamlin & Lunt, Brokers, Buffalo, for over 5 years.</p> <p>HUGH G. ROSS has been Vice-President of Stratmat Ltd. for the past 3½ years and prior thereto he was an Executive, self-employed.</p> <p>FRANK DANIELSON has been a Realtor, self-employed, for over 5 years.</p> <p>MAURICE FELDMAN has been an Attorney, self-employed, for over 5 years.</p> <p>W. RALPH SALTER has been the senior partner of Salter, Reilly & Jamieson, Solicitors, Toronto, for over 5 years.</p> <p>WILLIAM H. PRICE has been a Solicitor, self-employed, for over 5 years.</p>

Dated at Toronto the 30th day of May, 1957.



AMALGAMATED RARE EARTH MINES LIMITED

"W. R. SALTER", Vice-President.

"B. N. APPLE", Secretary.

SCHEDULE "A" REFERRED TO IN ITEM 21

1. Unpatented mining claims located in Cardiff Township, Provisional County of Haliburton: 6194 to 6198; 6351 to 6359; 7306 to 7315; 7386 to 7391; 12796 to 12800.
 2. Unpatented mining claims located in Monmouth Township, Provisional County of Haliburton: 4961 to 4973; 5448; 9430 to 9433; 18411 to 18414.
 3. Unpatented mining claims located in Cavendish Township, County of Peterborough: 7316 to 7321; 7432; 7433; 7466; 7489 to 7497 and 7608; 23776, 24111-24142 and 24306-24308.
- NOTE—All the above unpatented mining claims are located in the Eastern Ontario Mining Division and bear distinguishing letters E.O.
4. Patented lands in the Township of Monmouth, Province of Ontario:
 - (a) Lot 19, Concession 8.
 - (b) Lot 20, Concession 8.
 - (c) Lands held as mining lands as follows:—Lot 18, Broken Lot 19, Broken Lot 20, Broken Lot 21, south part Broken Lot 22, north part Broken Lot 22, all in Concession 7; Broken Lot 21, Broken Lot 22, south half Lot 23 and south half Lot 24, all in Concession 8; and Lot 21, Concession 9.
 - (d) Mining rights to Lot 7 and 8, Concession 14; Lot 8, Concession 15; Lot 17, Concession 17; Lots 9 and 10, Concession 13.
 - (e) License of occupation to mining claims EO 4257, EO 4265, EO 4278, EO 4958, EO 4960, EO 8258, EO 8259, EO 8260 and EO 8261.
 - (f) Lot 2 according to Plan of Village of South Tory Hill registered as number 8 subject to a right-of-way and part of Lot 18, Concession 10.
 5. Mineral rights to the following patented lands in the Township of Cavendish:
 - (a) Parts of Broken Lot 17 and the north part of Broken Lot 18 lying north of the arm of Catchacoma Lake, Concession 7.
 - (b) Lots 16 and 17, Concession 5.
 - (c) Lots 17, 18 and 19, Concession 6 and that part of Lot 18 in the 5th Concession lying west of the Buckhorn Road.

FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 29, 1957

ASSETS

CURRENT ASSETS:

Cash.....	\$ 5,442.35
Accounts receivable.....	17,086.52
	<u>\$ 22,528.87</u>

FIXED ASSETS, at cost to amalgamating companies:

Mining claims (acquired by the amalgamating companies for \$38,626.28 cash and 503,911 equivalent shares of reorganized capital stock).....	\$ 411,038.28
Buildings and equipment.....	474,772.73
	<u>885,811.01</u>

DEFERRED EXPENDITURE:

Exploration, development and administrative expenses, at cost to amalgamating companies (statement attached).....	\$3,123,156.40
Warehouse supplies, at cost.....	15,265.69
Prepaid expenses.....	4,515.62
Shares of a mining company, at nominal value.....	1.00
	<u>3,142,938.71</u>
	<u>\$4,051,278.59</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities (<i>Note 2</i>).....	\$ 212,962.59
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CAPITAL STOCK AND CONTRIBUTED SURPLUS:

Capital Stock—

Authorized by letters patent dated March 29, 1957—	
5,000,000 shares of a par value of \$1.00 each.....	<u>\$5,000,000.00</u>
 Issued and fully paid—	
2,530,000 shares outstanding after conversion and allotment of shares provided for in the Agreement of Amalgamation dated February 13, 1957, stated at par.....	\$2,530,000.00
7 shares issued for cash at par.....	7.00
 2,530,007 shares	<u>\$2,530,007.00</u>

Contributed Surplus:

Excess of value attributed to net assets contributed by the amalgamating companies over par value of shares issued.....	1,308,309.00
	<u>3,838,316.00</u>
	<u>\$4,051,278.59</u>

Approved on behalf of the Board:

“W. R. SALTER”, *Director.*

“MAURICE FELDMAN”, *Director.*

The Notes below are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 29, 1957

1. The financial statements include the assets and liabilities of each of the amalgamating companies in accordance with the Agreement of Amalgamation dated February 13, 1957 (confirmed by letters patent dated March 29, 1957).
2. The Company has been named defendant in two legal actions involving claims of \$50,573.15, of which \$9,204.42 is not provided for in the accounts. The Company has entered a defence in both of these actions.

AUDITORS' REPORT

To the Directors,

Amalgamated Rare Earth Mines Limited.

We have examined the balance sheet of Amalgamated Rare Earth Mines Limited as at March 29, 1957, and the statement of exploration, development and administrative expenses for the period from incorporation of the amalgamating companies to March 29, 1957. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of exploration, development and administrative expenses present fairly the financial position of the company as at March 29, 1957.

“AMPLEFORD, BROADHEAD & CO.”
“McDONALD, CURRIE & CO.”

Toronto, May 29, 1957.

Chartered Accountants.

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

	Rare Earth Mining Company Limited from incorporation, January 11, 1952 to March 29, 1957 (Note)	Cavendish Uranium & Mining Company Limited from incorporation, May 5, 1954, to March 29, 1957	Combined Total
EXPLORATION AND DEVELOPMENT:			
Assaying, ore testing and sampling.....	\$ 56,759.65	\$ 15,835.33	\$ 72,594.98
Camp supplies and expense.....	67,657.02	6,103.63	73,760.65
Cross cutting and drifting.....	682,123.03	72,850.58	754,973.61
Diamond drilling.....	541,581.92	191,157.34	732,739.26
Engineering fees, supervision and expense.....	83,063.09	141,014.28	224,077.37
Equipment repairs and maintenance and rentals	39,120.76	18,301.49	57,422.25
Freight and transportation.....	2,014.33	—	2,014.33
Heat, light and power.....	13,400.81	—	13,400.81
Insurance.....	4,344.05	3,386.87	7,730.92
Licenses and permits.....	3,373.49	—	3,373.49
Maps, surveys and exploration.....	3,195.47	1,599.40	4,794.87
Mine office expense.....	16,323.43	14,157.88	30,481.31
Pumping.....	3,426.61	—	3,426.61
Raising.....	84,045.09	—	84,045.09
Roads and sundry construction.....	93,765.14	3,423.20	97,188.34
Shaft sinking.....	244,523.42	53,337.17	297,860.59
Stations and sumps.....	32,271.33	—	32,271.33
Sundry expense.....	10,411.64	5,779.27	16,190.91
Surface development.....	149,110.00	88,768.21	237,878.21
Tunnelling—Adit.....	27,062.05	—	27,062.05
Workmen's compensation insurance.....	4,967.93	5,803.69	10,771.62
Profit on sale of equipment.....	10,729.32	—	10,729.32
	<hr/>	<hr/>	<hr/>
	\$2,151,810.94	\$621,518.34	\$2,773,329.28
ADMINISTRATIVE:			
As per statement attached.....	294,573.80	55,253.32	349,827.12
TOTAL EXPENSES.....	<hr/>	<hr/>	<hr/>
	\$2,446,384.74	\$676,771.66	\$3,123,156.40

NOTE—The expenditures shown for Rare Earth Mining Company Limited include the following expenses of predecessor companies:
 (i) \$536,305.47 incurred by Rare Earth Mining Corporation of Canada Limited to May 31, 1956 (the date upon which the net assets of that company were acquired).
 (ii) \$509,653.64 incurred by Consolidated Halo Uranium Mines Limited to March 28, 1957 (the date upon which the net assets of that company were acquired).

STATEMENT OF ADMINISTRATIVE EXPENSES

	Rare Earth Mining Company Limited from incorporation, January 11, 1952, to March 29, 1957 (Note)	Cavendish Uranium & Mining Company Limited from incorporation, May 5, 1954, to March 29, 1957	Combined Total
Advertising and shareholders information.....	\$ 41,632.89	—	\$ 41,632.89
General expense.....	9,609.55	\$ 907.55	10,517.10
Legal, audit and accounting.....	44,788.15	15,491.61	60,279.76
Office expense.....	14,041.73	1,577.90	15,619.63
Rent.....	5,362.75	1,256.25	6,619.00
Salaries.....	115,648.14	6,300.00	121,948.14
Share issue expense.....	8,175.36	—	8,175.36
Stock exchange registration.....	2,510.22	—	2,510.22
Telephone and telegraph.....	9,374.61	3,504.88	12,879.49
Transfer agents' fees and expense.....	18,373.17	—	18,373.17
Travelling expense.....	27,441.12	26,215.13	53,656.25
Interest income.....	2,383.89	—	2,383.89
	<hr/>	<hr/>	<hr/>
	\$294,573.80	\$55,253.32	\$349,827.12

ENGINEER'S REPORT

The President and Directors,
Amalgamated Rare Earth Mines Limited,
Suite 601, 112 Yonge Street,
Toronto, Ontario.

May 31st, 1957

Gentlemen:

General Report

Following is a summary report on the properties held by your Company.

Location and Access

Amalgamated Rare Earth Mines Limited holds three mining properties previously held by Rare Earth Mining Company Limited, Halo Uranium Mines Limited and Cavendish Uranium & Mining Company Limited.

The three mines are located, respectively, in the adjacent Townships of Monmouth, Cardiff and Cavendish, in the Bancroft Area, Eastern Ontario Mining Division, Province of Ontario, Canada.

They can all be reached by rail or good motor highway from Toronto to Tory Hill, a distance of 140 miles.

Paved Provincial Highways Numbers 500 and 507 pass within two miles of the three properties, which are themselves well developed with good rock ballasted, gravel surfaced roads.

The Rare Earth mine is situated 2 miles from Tory Hill, on the Port Hope-Lindsay-Kinmount-Bancroft branch of the Canadian National Railways. It is about 110 miles by rail from Tory Hill to Port Hope.

The Halo mine is 6 miles east of the Rare Earth property and 2 miles from the Highway 500.

The Cavendish mine is 20 miles southwest of the Halo mine and is reached by Highways 500 and 507, the latter road passing through the Cavendish property.

Holdings

The Rare Earth property consists of 56 contiguous and adjacent mining claims comprising approximately 2,800 acres. They form an area approximately 3 miles long from north to south and $\frac{3}{4}$ mile wide from east to west.

Twenty-nine of the claims on which the workings are located have more than the required assessment work performed to register for patent and 16 of these are already patented. The work on the remaining 27 unpatented claims is up to date and titles are safely in good standing.

The claims are located within the area outlined by the surveyed Lots 7 to 24, Concessions V to XVIII in the Township of Monmouth.

The Halo property consists of 35 contiguous mining claims comprising approximately 1750 acres. They cover a T-shaped area about $2\frac{1}{2}$ miles long from north to south and from $\frac{1}{2}$ to 2 miles from east to west.

The claims are unpatented, but 30 of them have more than the 200 days work performed for patent registration and the other 5 are safely in good standing as to title.

The claims are located in the area outlined by Lots 2 to 9, in Concession XV to XVIII, in the Township of Cardiff.

The Cavendish property consists of 68 contiguous and adjacent mining claims comprising approximately 3,400 acres.

The main claims cover an area approximately $2\frac{1}{2}$ miles long from north to south and $2\frac{1}{2}$ miles wide from east to west.

Power, Timber, Water, Supplies

Hydro-electric power is readily available in the area. A 44,000 k.v. 60-cycle transmission line passes through the Rare Earth property. The same line is 6 miles west of Halo and 13 miles east of the Cavendish property.

There are good stands of timber on all the properties, suitable for mining purposes.

There is an ample supply of fresh water on all the properties, suitable for both industrial and community purposes.

The fact that the area is in a settled part of Eastern Ontario and within 140 miles of the Toronto-Hamilton industrial area, assures the ready availability of all necessary equipment and supplies and low transportation costs.

Exploration and Development Completed

The mining work accomplished to date on the three properties is as follows:

	Shafts	Drifts and X-Cuts	Raises	Surface D.D.	Underground D.D.
Rare Earth Mine.....	1,070	8,481	1,562	36,573	24,526
Halo Mine.....	—	2,636	106	16,329	9,822
Cavendish Mine.....	86	1,395	120	45,772	5,634

Surface work includes rock ballasted gravel-surfaced roads, suitable for motor traffic, connecting the mine workings on all the properties to the highways.

Plant and Equipment

Rare Earth Mine.—The No. 1 shaft at the Rare Earth mine is sunk to the 420-foot level and is completely equipped with headframe, hoists and compressors and mining equipment sufficient to mine at the rate of 300 to 400 tons daily to a depth of 500 feet.

No. 2 shaft is sunk to 650 feet and is equipped with headframe, hoist and compressors and mining equipment suitable to hoist 400 to 500 tons daily from this depth.

Halo Mine.—The mine shaft has been collared and it is planned to install a mining plant large enough to hoist 400 to 500 tons daily from 1,000-foot depth.

Cavendish Mine.—The present shaft is down 86 feet and it is planned to sink another production shaft to 500 feet and to install a mining plant capable of mining 500 to 600 tons daily from 500 feet.

Buildings

All three properties are well equipped with office buildings, warehouses and living accommodation for a total 150 men, which will be approximately doubled upon commencement of underground development for production.

Tonnage and Grade

According to estimates by independent geologists, the three properties have indicated by diamond drilling and preliminary underground development, from $1\frac{1}{2}$ to $1\frac{3}{4}$ millions of tons of ore grading 0.105% U_3O_8 .

This tonnage is available for immediate development for production above the 500-foot depth.

Limited drilling which has intersected ore widths and values down to 1,000-foot depth indicate a substantially greater potential remaining to be explored and developed.

In addition to this, surface work and limited drilling comprising partially explored discoveries on locations some distance from the present workings; indicate a still greater ore potential.

Contract and Ore Requirement

The contract with Eldorado calls for delivery by December 31st, 1963, of 2,628,000 pounds of U_3O_8 .

The tons of ore required to fulfil this contract at the estimated grade is 1,468,800 tons.

This will call for milling from the three properties, a total of 800 tons daily, commencing not later than January 1, 1959.

Plans for Production

Preliminary plans and estimates were completed two months ago and are now in their final stages based on the latest technical information and firm quotations on equipment and supplies.

Metallurgical tests conducted at Queen's University and the Ore Dressing Laboratories at the Radioactivity Division at Ottawa, prove that flotation concentration of the ores from all the properties is safely feasible and highly economical.

Ratio of concentration in test work is from 7:1 to 8:1, with 95% to 96% of the uranium mineral recovered in the concentrate.

For estimating purposes a ratio of concentration of 5 to 1 has been considered. This would require a 400 ton/day flotation plant on the Halo property together with an acid leach plant of 160 ton daily capacity to treat concentrate from a 400-ton flotation plant at Cavendish in addition to the concentrate from the Halo plant.

A 250-ton/day acid leach plant has been considered in the estimates as the capital cost increase, over the required 160-ton/day plant, is small and this allows additional capacity to yield flexibility of operation for increasing tonnage capacity if necessary to step-up output and set forward the schedule when Eldorado picks up their option for an equal amount of U_3O_8 following completion of the initial contract.

Time Schedule

A realistic work schedule has been set up for preproduction development and construction, which will allow full production to commence by September 30th, 1958, after allowing for a three-month tune-up in the mill with limited production and with the work schedule commencing on July 1st, 1957.

Capital Requirement

The total capital requirement to place the properties in production is estimated at \$7,000,000.

This includes provision for loan discount, interest during the 18-month preproduction period and contingencies.

Cost and Earnings

Based on mining and administration at \$5.20 per ton of ore milled, current development at \$1.00 per ton, milling at \$3.84 per ton, it is estimated the operations will earn approximately \$4,000,000 in the 5-year contract period after repayment of the \$7,000,000 loan at 6% interest and Ontario Mining Tax.

Dominion Income Tax starting after 3 years will be negligible for 5 years owing to the write-off of pre-production and capital expense applicable.

Respectfully submitted,

A. S. BAYNE & COMPANY,
Per "A. S. BAYNE", B.Sc., P.Eng.

CERTIFICATE

I, Arthur Stewart Bayne, of the City of Toronto, in the County of York, Province of Ontario, do hereby certify as follows:

1. I am a Consulting Engineer and I reside in Toronto, Ontario, Canada.
2. I am a Bachelor of Science in Mining and Metallurgical Engineering (Queen's University 1935) and have practised my profession for more than 20 years.
3. I have no interest, direct, indirect or expected, in the properties and/or securities of Amalgamated Rare Earth Mines Limited.
4. The attached report is based on:
 - i. Personal examinations of the properties by the author.
 - ii. Observation and examination of the underground mining development, and sampling and assaying practices during the past year.
 - iii. Examination of the ore intersections in the diamond drill cores.
 - iv. Examination of core logs and assay sections.
 - v. An independent analysis and calculation by the author of the ore potential as indicated by the exploration and development work to date.
 - vi. Reference to geological reports and ore estimates by W. C. Ringsleben, P.Eng., and G. C. McCartney, P.Eng., Consulting Geologists of Toronto.
 - vii. Reference to reports of metallurgical investigation and test work and estimates of plant and mill costs by Kilborn Engineering (1954) Limited, A. H. Ross, P.Eng., Consulting Metallurgist, John Mitchell, Consulting Engineer, all of Toronto; also by the Metallurgical Department, Queen's University and the Radioactivity Division, Department of Mines, Ottawa.
 - viii. Inspection, study and analysis of all pertinent data.

"A. S. BAYNE", B.Sc., P.Eng.

Dated at Toronto this 31st day of May, 1957.